

## **Douglas McGregor's Theories Verses Modern Retention Efforts**

In 1960, Douglas McGregor presented the world with his Theory X and Theory Y concepts. He built upon the works of Tannenbaum and Schmidt (1958). These two scholars believed that a leader's behavior at any given moment is highly influenced by their beliefs and the factors that outline their personality (Tannenbaum & Schmidt, 1958). He was also influenced by the works of Abraham Maslow and his Hierarchy of Needs Theory. Maslow concentrated more on an individual's needs. Maslow believed that people must work their way through levels of personal gratification to attain complete oneness.

Although his research isolated some outside factors, they were not like the ones presented by Douglas McGregor. McGregor took things a step further for the workplace. He concentrated on the leadership aspects that affect individual performance and self-gratification. In McGregor's 1960 book, *The Human Side of Enterprise*, McGregor believed that all leaders unconsciously make assumptions about worker motivation. He felt two different management styles exist within an organization, dubbing these styles X and Y (McGregor, 1960).

McGregor's theory states that X leaders think their staff lacks intelligence and motivation and do their best to avoid labor at any cost (Sager, 2015). These managers push the concept of an honest day's work and run their day on the idea that hard work is necessary for a person to reach one's goals in life. X leaders thrived on controlling others, being the only ones in power, and were often viewed as dictators, and they felt workers were challenging to motivate no matter how hard they pushed (Gurbuz et al., 2014). X leaders are considered micromanagers and utilize monetary incentives as primary motivators (Singh & Behera, 2016).

Conversely, he viewed Y leaders as the complete opposite. These managers utilize team-concept methods and encourage their staff members in various ways. These leaders often have

subordinates participate in project decision-making processes, build organizational ownership with employees, and align staff and company goals to push team concepts and ideals (McGregor, 1960). McGregor's theory can get used to strengthen connections between organizational culture and staff behavior. Leaders can then utilize these connections when exploring strategies and data for nurse retention.

In 1960, his work was groundbreaking as it looked deep into how organizations were run through the eyes of a leader. It gave organizations a new method for organizational leadership, pushing beyond the "boss" concept (Kopelman et al., 2008). His research focused on how leaders could do better and pointed out how employee production could be elevated with the correct form of leadership. He explained that workers led by Theory Y leaders were more productive, wanted to come to work, and enjoyed what they did. They often had outstanding ideas and suggestions that improved organizational outcomes and were capable of self-direction and self-control (Kopelman et al., 2008; Sahin et al., 2017).

Kopelman et al. (2008) explain that many scholars feel McGregor's work was too underdeveloped and simple. Therefore, today, it is often considered not viable for modern workforces. Current leaders require an open style to handle diversity and generational gaps often found in the U. S. workforce. Some of the more common forms of leadership found today are transformational, charismatic, transactional, and motivational, to name a few (Kopelman et al., 2008). Appropriate leadership techniques are essential to building a thriving working culture.

Today, employees like to know their leader is watching. They want to know when they do great things. They enjoy rewards, recognition, and advancement opportunities for their positive efforts (Kopelman et al., 2008; Stoyan & Monique, 2017). These thoughts are definite indicators of Theory Y leaders. Even though McGregor presented the idea as a simple concept, it

is still a foundation for many methods found in modern organizations. It will also stand as one of the theoretical foundations to ground this dissertation and the leadership data presented within the report. This research will examine R.N. retention, so it is essential to find which Theory Y traditions are most likely to affect retention rates positively (Kopelman et al., 2008).

### **The Influence of Leadership on Nurse Retention**

Leadership is the process by which an individual or group projects influential habits and guides subordinates in a way that helps a department or organization (Pishgooie et al., 2019). It is necessary for steering employee behavior and amplifying business outcomes (Samanta & Lamprakis, 2018). A leader's contribution to job satisfaction and nurse retention directly correlates with recruitment, retention, turnover, and patient care quality (Nwaorgu, 2021). Registered nurses can encounter many day-to-day stresses that lead to poor job performance, decreased satisfaction, burnout, and eventual turnover.

Leaders must also anticipate these strains. Staying proactive can increase retention by elevating job satisfaction (Pishgooie et al., 2019). Leaders should concentrate on negative cultural influences, poor reward and recognition efforts, outside employment needs, internal changes, and other factors that seemingly drag down job satisfaction rates (Khodakarami & Dirani, 2020; Pishgooie et al., 2019).

It is recommended that organizations seek out leaders who can anticipate poor internal job dissatisfiers. These administrators should recruit or train their leadership to utilize tools that match modern-day employee needs and successful retention strategies. There are many styles of leadership found in healthcare: transformational, transactional, and laissez-faire. Each has its advantages, but several methods prove to be more effective than others. In a study completed by

Al-Yami et al. (2018), they explain a strong connection between leadership methods, job satisfaction, and organizational retention (Al-Yami et al., 2018).

Out of 219 test subjects, the group found that the most liked versions of leadership were transformational and transactional, with transformational having the most significant impact (Al-Yami et al., 2018). Their findings were backed by other research by Morsiani et al. (2017), and transformational guidance has the strongest positive correlation with R.N. satisfaction and retention (Morsiani et al., 2017). J. M. Burns founded the transformational concepts in 1978 (Hutchinson & Jackson, 2013). In 1985, Theorist Bernard M. Bass expanded on Burns' work, proposing that leadership can inspire subordinates and change their perceptions, motivate, and steer expectations toward a common goal (Effelsberg et al., 2014).

#### ***A Few Common Types of Leadership Found in Healthcare***

Transformational leadership involves direct interaction with staff members, engages them, and gives them a purpose that can positively affect organizational goals (Bormann & Abrahamson, 2015; Pishgooie et al., 2019). Sahu et al. (2018) explain that this method has a substantial impact on decreasing turnover rates (Sahu et al., 2018). Transformational leadership has four primary categories: intellectual stimulation, idealized influences, inspirational motivations, and individual considerations (Miranda, 2019). Intellectual stimulation happens when transformational leaders motivate staff members to help with a process or procedure and are given the power of decision-making, which evokes personal and organizational knowledge, skill development, and critical thinking (Boamah et al., 2018).

These leaders use idealized influences to develop a strong relationship with subordinates through confidence, trust, and respect (Giddens, 2018). Transformational leaders create inspirational motivation by challenging staff members, which develops ownership and purpose in

their work (Groves, 2020). When leaders boast individual considerations, the leader uses reward, recognition, and celebration to promote value with that team member (Giddens, 2018).

Transactional leaders use organizational goals, beliefs, rewards, and punishment to create a strict hierarchy for workers to follow (Kanwal et al., 2019). Transactional leadership often drives workers to improve employee efforts. The greater the effort from the staff, the greater the support from their leader (Musinguzi et al., 2018). It often gets divided into three sections: passive leadership by exception, active leadership by exception, and a contingent reward system (Samanta & Lamprakis, 2018).

Managers will express specific criteria and directions to the staff and offer them various rewards once the work is satisfied or exceeded (Caillier, 2018). For example, they may offer money or time off to staff members to increase production, retention, or elevate employee satisfaction (Chinyio et al., 2018). Passive leadership, by exception, specifies that managers will only get involved during significant conflicts or issues. Active leadership, by exception, shows managers closely monitoring staff and utilizing corrective action plans for errors and work failures (Kark et al., 2018).

Conversely, laissez-faire techniques are the direct opposite of transformational and transactional styles. These leaders often avoid conflict, fail to deal with issues effectively, portray a lack of enthusiasm regarding employee satisfaction, and create a stressful environment often plagued by high turnover rates (Bormann & Abrahamson, 2015; Pishgooie et al., 2019). Leaders use this method to give staff decision-making powers (Kanwal et al., 2019). This method is considered obsolete by today's standards and often rendered useless and outdated, negatively impacting subordinates (Breevaart & Zacher, 2019).

The leaders' ultimate role is to design an environment that promotes a positive culture and elevates job satisfaction (Bormann & Abrahamson, 2015). They should accomplish this through direct employee contact, positive leadership behaviors, and utilizing their highly trained skillset. Instincts are a must when it comes to reading and analyzing staff needs. Companies that hire and promote leaders with these instincts invest in the organization's future, positively attacking turnover issues and reducing nurse shortages throughout the organization (McCay et al., 2018).

Leaders encouraging a supportive organizational environment will influence other leaders and staff to follow suit, pushing retention efforts, decreasing turnover, and increasing the company's bottom line (Pishgooie et al., 2019). Lastly, these habits will work to improve patient satisfaction. Maintaining a healthy and happy staff is crucial as this often translates to better overall care and patient outcomes.

## **Culture**

One way to increase nurse satisfaction is to create a positive work culture that promotes the ideals and constructs of the organizational foundation (Bussmann & Niemeczek, 2017). These values should be clear, concise, and exercised from day one of employment. This strategy will ensure all employees understand what is expected of them and their role in the company (Men & Yue, 2019). Rosen et al. (2018) tell us that leadership must present a team-first concept and eliminate any me-first ideals, decreasing selfless beliefs and creating an environment where people work harder for the team.

This strategy causes longer tenures by bettering their work environment (Rosen et al., 2018). Organizations that have developed a me-first approach can have workers who utilize poor communication skills, have low morale, lack leadership direction, and are unclear on goals and

objectives (Gardner et al., 2017). Conversely, a team-first atmosphere will demonstrate a culture of engaged workers, positive and committed to organizational success (Gardner et al., 2017; O'Neill & Salas, 2018).

### **Communication**

Another team-building skill that promotes nurse retention is effective communication. This strategy is essential to maximize production and create an efficient, well-run environment (Rubinelli et al., 2019). Poor communication can often result in medical errors. Today, these mishaps are the third leading cause of death in the United States, behind only heart disease and cancer. Evidence shows that the U. S. has between 250,000 and 440,000 errors annually (McMains, 2016). Organizations can pinpoint poor workplace communication by observing personnel, conducting random checks, and reviewing records (Kee, 2018).

Author Church (2017) found a correlation between medical errors and poor communication techniques. This data supported the fact that in 2014, U. S. facilities could have avoided over 2,000 unintentional deaths with proper communication. These episodes resulted in over \$1.7 billion in malpractice costs (Church, 2017; Pugel et al., 2015). Poor communication accounted for more than 30% of all U. S. malpractice suits in 2014 (Riley, 2017). These numbers continue to rise today, so healthcare leaders must push for transparent, concise, closed-loop communication (Pakulski et al., 2019). Exercising these actions can prevent unintended injuries and reduce malpractice cases. It can also promote a happier work environment, decreasing turnover.

### **The Importance of Proper Onboarding and Mentorship**

Author Patty Gaul (2017) explains that the healthcare market is one of the fastest-growing sectors worldwide. Experts estimate that this discipline will need anywhere from 80 to

95 million workers by 2030 to handle the rapidly aging Baby Boomer population. However, even if healthcare sustained that number of workers, estimates show this would not be enough and would still leave this sector 10 to 15 million workers short (Gaul, 2017). Gaul's research showed that many specialty areas in healthcare would see the most significant strain. These areas include lab technicians, imaging specialists, providers, and registered nurses. Currently, many organizations are bone-crewed in these areas, showing that these shortages are already becoming a problem (Gaul, 2017).

One of the ways that many facilities are combating this issue is by upping their retention game. One of the most significant retention strategy upgrades focuses on new hires' proper mentorship. It can be challenging to pull in expert help, and it can be harder to retain them. Getting them off on the right foot is crucial for any organization. This concept rings true worldwide, but many areas of this market struggle more than others. For example, rural and low-income areas with depleted access and lower revenue streams struggle to maintain budgets to entice high-priced and highly skilled talent (Gaul, 2017). These areas must get creative in other ways, often starting on day one with a streamlined onboarding process. A well-oiled system can simulate a tremendous yet critical first impression (Gaul, 2017).

Florence Nightingale first introduced mentorship programs in the 1800s and has been a followed practice since its suggestion (Olaolorunpo, 2019). These trusted guides are put in place to teach their expertise to others, easing the burden of self-teaching. Hale and Phillips (2019) explain that these teachings can be formal or informal. Informal programs occur when mentors and mentees create a voluntary relationship between the two parties.

Formal teaching is often a structured strategy with a group of recognized mentors created by an organization (Hale & Philips, 2019). Pennington and Driscoll (2019) suggested in their



research that mentorship should begin at the collegiate level. Structured shadowing and formal relationships should exist between academic institutions and healthcare facilities, allowing for hands-on clinic rotations and direct patient care before entering the workforce (Pennington & Driscoll, 2019).

### **Mentoring versus turnover rates**

Healthcare organizations are continually working to decrease turnover, especially regarding nursing staff. Twibell et al. (2017) provided research that suggests that 30% of all new graduates will seek other employment in their first year in the workforce, and these numbers can soar to over 57% by the second. These authors point out various benefits of nurse mentorships and residency programs. Their study focuses on the turnover rates of new grads. It evaluated 111 subjects with mentorship opportunities and found that 87% of these R.N.s remained at their jobs for six to twelve months, promoting a strong correlation between retention and mentorship strategies (Twibell et al., 2017).

Williams et al. (2018) furthered this research by studying one-on-one mentee/mentor relationships. After evaluating 3,484 subjects, they found that one-on-one programs should get utilized in healthcare organizations as they demonstrated positive results with their participants (Williams et al., 2018).

These onboarding programs need support from all levels. It can cost extra dollars to ensure all first-day processes are in place when done correctly. Organizations need I.T. accounts created, H.R. forms completed, and new hires contacted and kept in the loop with details. There are many moving parts to a well-ran onboarding strategy. Labor and other extra expenses must get supported from the top (Dennis, 2022; Gaul, 2017). CEOs and CFOs must work with these

teams and demonstrate their full support. C-level executives hesitant to disperse extra funding to correct processes must take a step back and closely evaluate these expenses.

Turnover costs can be massively devastating to a company's bottom line. Team labor is also expensive but minor compared to employee replacement costs (Gaul, 2017). Executives must understand that fine-tuning these systems and adding extra funding is well worth the price, especially if these actions cause an increase in company retention rates and decrease turnover costs.

Another added cost will come from the use of a proctor or mentor. These individuals get assigned to new hires to train and prepare new workers for their new position and the company's culture. Even though this creates added labor costs, it is crucial to a new hire's success and achieving a full productivity pace (Dennis, 2022; Gaul, 2017). Many organizations set a 90-day training window with a preceptor. The mentor should have an organized checklist for each day during this timeframe. They should also evaluate progress throughout the process to determine if more or less training is needed during or after the initial training window.

Mentorship processes and procedures should be made an official policy to keep them from getting pushed to the wayside. These programs should benefit both parties. They should prepare the new employee for their future role in the company, but they should also get structured to help the mentor prepare for future leadership roles (Gaul, 2017; Pennington & Driscoll, 2019).

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